PROPERTY OF THE LIBRARY OF THE JAN 9 1959 JOHN'S COLLEGE UNIVERSITY OF NORTH CAROLINA

FACTS ON FILE
WORLD NEWS DIGEST WITH INDEX

Reg. U.S. Pat. Off. Published weekly in two sections—Section 1
Vol. XIX, No. 951 Jan. 15-21, 1959

Week in Headlines

International

Mikoyan ended tour of U.S. after talk with Pres. Eisenhower on major East-West differences.

Western powers eased terms for pact with USSR to ban A-tests.

Anglo-Egyptian accord reached on payment for Suez Canal seizure.

De Gaulle urged Algerian rebel leaders to talk peace in Paris.

United States

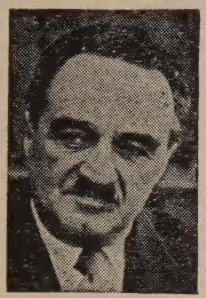
Eisenhower submitted to Congress $77 billion national budget showing $70 million surplus.

President's annual Economic Report warned against inflationary wage hikes not justified by production.

WORLD AFFAIRS

EAST-WEST RELATIONS

Mikoyan Ends U.S. Visit. Soviet First Deputy Premier Anastas I. Mikoyan ended a 2-week visit to the U.S. Jan. 20 after meeting with Pres. Eisenhower and making clear to American leaders that the USSR was eager for settlement of East-West differences but was not willing to alter its policies on major issues.



Wide World
MIKOYAN

On his way to New York to begin his return flight to Moscow,* Mikoyan told newsmen that his U.S. visit had left him "more optimistic for the fate of mankind." This he said, "does not mean that I have no suspicions—some are left—or that I have changed my general point of view." "In the nearest future I do not think that war is possible," he said, but the world's fate would be decided by whether nations take "the direction of peace or of accumulating forces for war."

Mikoyan expressed pleasure at his reception by U.S. leaders, including State Secy. Dulles, and said that it "means that your people want to understand us & want us to understand them." He said that "we must admit that capitalism in America is still strong" and that the U.S. must recognize that "socialism exists in our country [the USSR], like it or not." But "one has to live peacefully with one's neighbor. . . . Otherwise each will annihilate the other."

A farewell message to Mikoyan from Pres. Eisenhower, cabled by State Secy. Dulles, expressed hope Jan. 20 that Mikoyan would "report to Premier Khrushchev" on the American people's "desire for peace" & "unswerving belief . . . in the right of people to determine their own form of government." It also expressed the hope that Mikoyan had found it "interesting" to see "the progress of our people under our system of individual capitalism."

'Ike' Meeting. Mikoyan was received at the White House Jan. 17 for a 1¾-hour exchange of views with Pres. Eisenhower on the problems of Berlin, Germany, disarmament and increased U.S.-Soviet trade.

The White House discussion, attended by Dulles, reached no decision on any of the questions under consideration. Press Secy. James C. Hagerty told newsmen later Jan. 17 that the confidential talks had been "useful" but had contained no new proposals by either Mikoyan or Mr. Eisenhower for settlement of the Berlin dispute. Administration sources reported that Mikoyan & the President largely had exchanged detailed restatements of U.S. & Soviet foreign policies. They indicated, however, that Mikoyan had argued strongly for an East-West meeting, probably at the foreign ministers' level, early in 1959.

Mr. Eisenhower, addressing a press conference Jan. 21, gave the following assessment of Mikoyan's aim in coming to the U.S. and of the results of his White House visit:

- Mikoyan sought "a better opinion" of whether U.S. & Soviet leaders were "talking the same language in the foreign field." "I think he possibly thought that he could create . . . the theory" that the American people "were completely unhappy with the [anti-Soviet] policies . . . founded in 1947."
- The White House conference "was a statement of problems on both sides, trying to show some of the reasons why the positions in these issues were taken . . . to get a clearer understanding of the problems now existing." There "was no attempt at any negotiation" nor any "new proposals of which I am aware."
- Mikoyan was "emphatic in his argument for . . . the Marxist doctrine as interpreted by Lenin & . . .other authorities." He claimed that "every single proposition that the Kremlin has advanced has as its purpose peace . . . and therefore when we do not agree, we are negative, rigid, and are unready to meet these peaceful gestures."
- "I . . . on my part, tried to make it clear that we are ready to explore anything, any time, any place, as long as there was reasonable chance [&] opportunity for advancing the peace. But merely to sit & to argue rigidly . . . is a little hard to swallow." Mikoyan "must be sure . . . that America wants peace . . . but it simply won't be pushed around."

UN Visit. Mikoyan ended his cross-country tour of the U.S. Jan. 15 with a news conference at UN Hq. in New York at which he advanced the view that an East-West summit conference was "bound to take place eventually" although it would be "difficult" to predict the time or subject.

Questioned by reporters, Mikoyan made these comments on Soviet policy: (1) the USSR was eager to share its "tremendous success" in the area of outer space but it "could not acquiesce" in the anti-Soviet membership of the UN Com. on Outer Space, which he said was manipulated "to place the [USSR] in a subordinate position"; (2) agreement on a treaty to ban nuclear tests was probable despite U.S. efforts to deny the effectiveness of detection and to create a control board "under [U.S.] influence"; (3) "the Hungarian people requires no assistance from the [UN] in dealing with its domestic questions" and "the hubbub around the Hungarian question was created here for the specific purpose of encouraging the 'cold war.'"

Commenting on the opposition of the capitalist & communist systems, Mikoyan conceded that "capitalism . . . has had substantial success in America," but he asserted that "communism has brought our country from misery & weakness to being a great country." He predicted that "capitalism will continue so long as the people . . . involved will support" it; "otherwise "they will overthrow it." Therefore, "our people do not need or want to interfere in the internal affairs of other countries" but would prefer to "compete with & emulate each other"

REFERENCES in brackets give location of background information in this & preceding volumes

* Interrupted when one engine of his SAS DC-7C failed after the plane was over the Atlantic and a 2d engine caught fire as the plane was preparing for an emergency landing at the U.S. Naval Air Base at Argentia, Newfoundland. The pilot was able to put out the blaze and land his 33 passengers, including Mikoyan & the latter's son Sergo, safely at Argentia. SAS officials said safety precautions taken when the plane was being readied at N.Y. Intl. Airport precluded sabotage, but they ordered the engines shipped to Stockholm for examination. Mikoyan took another plane after an 18-hour stay at Argentia and arrived in Copenhagen Jan. 22. He had left the U.S. earlier than planned after cancelling a 2-day visit to Florida because of fatigue and fears that the climatic change would affect his health.

FOF ADVISORY BOARD

Letters: Prof. A. J. BARNOUW, Columbia
Political Science: Prof. FRANCIS W. COKER, Yale
Economics: Prof. J. ANTON DE HAAS, Claremont
Science: DAVID DIETZ, Scripps-Howard Newspapers
Education: Dr. HARRY D. GIDEONSE, Pres. B'klyn Coll.
History: JOHN GUNTHER
News Analysis: H. V. KALTENBORN
World Affairs: WILLIAM L. SHIRER
Latin America: Prof. FRANK TANNENBAUM, Columbia
Library Service: Dr. C. C. WILLIAMSON, Columbia

9.82
+
9
51

in the raising of living standards.

(Questioned as to the USSR's intent to restore freedom to the Soviet Jewish community, Mikoyan asserted that "there is no Jewish problem in the Soviet Union at all" because "the Jewish population has merged with the Russians in Russian culture." Mikoyan met Jan. 15 with American Jewish Com. leaders, including ex-Sen. Herbert H. Lehman & AJC Pres. Irving M. Engel, and authorized the statement that "reported plans for the re-creation of a Jewish state in Birobidzhan & the transfer of . . . [Jews] to that area is without foundation.")

Trade Bid Rejected. Mikoyan, who had conferred again with State Secy. Dulles & Vice Pres. Nixon on his return to Washington Jan. 16,* ended his visit to the capital Jan. 19 with an unsuccessful attempt to win reduction of U.S. restrictions on trade with the USSR.

In meetings Jan. 19 with State Undersecy. C. Douglas Dillon & Commerce Secy. Lewis L. Strauss, Mikoyan urged these steps to expand U.S.-Soviet trade: (1) ending of restrictions on U.S. exports to the USSR, particularly on items banned as strategic goods; (2) most-favored-nation treatment for & lowered tariffs on Soviet goods; (3) elimination of restrictions on large-scale credits for Soviet purchases in the U.S. Mikoan's proposals were rejected by Dillon on grounds that any increase in U.S.-Soviet trade normally would be in the sphere of non-strategic goods and that U.S. law barred loans to a country in default on debts to the U.S.†

Mikoyan told reporters Jan. 19 that his meeting with Dillon had shown that "the cold war in the State Dept. is continuing." State Dept. spokesman Lincoln White rejected Mikoyan's opinion Jan. 19 as "fatuous on the face of it."

U.S. Leaders Criticized. Answering questions at a National Press Club luncheon in Washington Jan. 19, Mikoyan expressed criticism of ex-Pres. Truman and other Western leaders.

Commenting on recent Truman objections to the welcome given him by U.S. businessmen, Mikoyan said that "Mr. Truman does not want better relations with our country. We know perfectly well that it was in his administration that relations . . . deteriorated & the cold war begun." Mikoyan denounced as "impermissible" statements contained in Pres. Eisenhower's State of the Union message that "agreements with the Russians are not worth the paper they are written on." He described West German Chancellor Adenauer as leader of the "German revenge seekers" and warned that "force would be met with force" if Western nations used arms to maintain their access to West Berlin.

TV Interview. Appearing on NBC-TV's Meet the Press, Mikoyan indicated Jan. 18 that the USSR might be willing to ease its position on settlement of the Berlin dispute if the Western powers advanced "convincing" counter-proposals. Defending the Soviet demand for creation of a free city of West Berlin as "solid & correct," Mikoyan asserted that there still was "sufficient time to consider & reconsider the matter." He said that the USSR wanted "West Berlin to be guaranteed not by foreign bayonets but rather by international organizations & the great powers, including guarantees of free access . . . from the east & the west."

Questioned as to his comparison of the U.S.' intervention in Lebanon & the Soviet Army's suppression of the Hungarian revolt, Mikoyan asserted that "there was no killing in Lebanon because the Lebanese decided not to resist when your forces entered the country; but in fact [U.S.] forces" were prepared "to shoot if need be." Soviet forces, he said, were in Hungary "under the Warsaw Pact" and did "not interfere in the country's internal affairs." [See p. 1F1]

West Eases A-Ban Terms. U.S., British & Soviet delegations to Geneva talks on a treaty to ban nuclear weapons tests began discussion Jan. 20 of detailed plans for an international control & inspection system to guard against treaty violations. The Western powers had agreed Jan. 19 to soften their conditions for yearly renewal of an agreement to end atomic tests. [See p. 2D1; Vol. XVIII, 413G3, 390F3]

In what was considered to be a major concession to the USSR, the U.S. & Britain informed the Soviet delegation Jan. 19 that they would drop their demands that the duration of the test ban treaty depend on progress in other fields of disarmament. James J. Wadsworth, U.S. chief delegate told Soviet chief delegate Semyon K. Tsarapkin that Pres. Eisenhower's Aug. 22, 1958 demand for "satisfactory progress" on "major . . . arms control measures" would be dropped, in view of the Russians' objections, to enable the conference to proceed to discussion of an effective control system for policing the proposed treaty.

The Western concession was made in an effort to force the USSR to disclose whether it would agree to establishment of an effective control system. Tsarapkin agreed Jan. 19 to the immediate discussion of 4 U.S. draft treaty articles dealing with functions of the control organization. Tsarapkin had agreed Jan. 12 to revise a Soviet draft article on control posts to meet Western objections against specifying the number of such posts to be set up in each participating country.

Effective Detection Doubted. American leaders expressed doubt Jan. 13-16 that the test detection system recommended by the 1958 East-West conference of nuclear experts in Geneva effectively could detect smaller nuclear tests carried out in violation of the proposed treaty to ban atomic weapons explosions. [See p. 1F3; Vol. XVIII, 218G2, 86E1]

State Secy. Dulles, addressing a Washington news conference, said Jan. 13 that evidence showed the proposed detection system to be "perhaps inadequate" for tracking underground nuclear detonations. Dulles added, however, that the U.S. was studying ways to reinforce the recommended detection system so that "no serious or revolutionary change would be required" to restore its dependability. In commenting on proposals made Nov. 17, 1958 by Sen. Albert Gore (D., Tenn.) for halting all but underground & underwater nuclear tests, Dulles termed Gore's suggestions "a possible fall-back position" in the event the current Geneva talks ended in failure. [See Vol. XVIII, p. 391A2]

A scientific report issued Jan. 16 by the U.S. Defense Dept. & Joint Congressional Atomic Energy Com. supported contentions that underground nuclear explosions were more difficult to detect than previously had been believed. The report was based on seismic detection methods tested by 3 underground nuclear detonations in Nevada in 1958. The report asserted that the detection system urged by the Geneva experts' conference was of little use when observation posts were 600 to 1,000 mi. from underground explosions of 20 kilotons or less. It predicted that 1,500 natural seismic shocks annually of 5 kilotons or more could not precisely be identified as such by the detection system outlined in Geneva. However, the Geneva system was conceded to be effective in tracking underground detonations of 20 kilotons or more.

(The Defense Dept. report also disclosed what was described as substantial American progress in the design of small nuclear weapons for tactical military use. It revealed that a nuclear device with an energy yield equal to only 100 tons of TNT successfully had been detonated underground in the 1958 Nevada test series.)

Dr. Hans Bethe, member of the President's Science Advisory Com., disclosed to newsmen Jan. 13 that he had told secret hearings earlier that day of the Joint Congressional Atomic Energy Com. that it still was possible to develop an effective nuclear test detection system despite newly-discovered difficulties in tracking underground detonations. 2 committee members, Sens. John O. Pastore (D., R.I.) & Clinton P. Anderson (D., N.M.),

---

* Mikoyan's Jan. 16 meetings largely were devoted to reviewing U.S. & Soviet positions on Berlin in preparation for his Jan. 17 meeting with Pres. Eisenhower. Mikoyan was the guest of Chrmn. Theodore F. Green (D., R.I.) of the Senate Foreign Relations Com. at a Senate luncheon Jan. 16. Sen. J. W. Fulbright (D., Ark.) said later that Mikoyan had expressed willingness to accept UN participation in a future Berlin agreement. Sen. Hubert H. Humphrey said that Mikoyan had shown flexibility and had gone "even further than the Rapacki plan" in advocating creation of a European disarmament zone. The Senate was criticized Jan. 17 by Sen. Styles Bridges R., N.H.) for its alleged "red carpet" treatment of Mikoyan.

† The USSR consistently had ignored U.S. offers to settle Soviet lend-lease debts for $800 million. Dillon told the Senate Foreign Relations Com. Jan. 21 that Mikoyan had rejected any proposals for expansion of U.S.-Soviet trade "except on his own terms." [See p. 9D1; Vol. XVIII, 227B2, 80D1; XV, 422C3, 222F3]

FACTS ON FILE is published weekly by Facts on File, Inc., 119 W. 57th St., New York 19, N. Y. (COlumbus 5-2011-2). Entered as 2d class matter June 24, 1941 at the Post Office in New York, N. Y., under the Act of March 3, 1879. Subscription $95 a year; Yearbooks (bound volumes) from 1942—$25 each. Cumulative Index published twice a month. Copyright 1959 by Facts on File, Inc. Edw. Van Westerborg, Pres.-Treas.; Fred McGhee, Secy.-Editor; Bernard Messinger, Business Manager.

urged Jan. 14 that a series of underground nuclear tests be carried out under international supervision to determine the feasibility of proposed detection systems.

Swedish Fallout Danger. The discovery by Swedish scientists of large & intensely radioactive fallout particles far from the site of the parent nuclear explosion was reported Jan. 11 by the N.Y. Times.

The discovery of the particles, produced by Soviet nuclear tests in the Arctic Ocean, initially was disclosed to the UN Scientific Com. on the effects of Atomic Radiation Dec. 5, 1958 by Prof. Rolf M. Sievert of Stockholm's Royal Caroline Inst. Sievert reported that Swedish scientists had discovered particles "of very high radioactivity" in "short-lived fission products & radioactive material from local or tropospheric fallout." He warned that the particles, described as beta-active & 5 microns in diameter, "produce [radiation] doses that in a few hours are capable of causing total destruction of cells remaining in direct contact with them."

Another report said to be under study by the UN committee described a similar particle detected June 25, 1957 by Dr. Bernard Gross of Catholic U. in Rio de Janeiro. The Brazilian particle was reported to have eminated from a British nuclear test in the Pacific Ocean, 7,900 mi. away. [See p. 2F1-D2; Vol. XVIII, 414A2]

U.S. Vs. Renewed Attack Talks. Soviet proposals for resumption of technical talks on the prevention of surprise attacks were rejected by the U.S. Jan. 15 as useless without prior agreement on a conference agenda. [See Vol. XVIII, pp. 414C2, 390A2]

Replying to a Soviet note delivered Jan. 11, the U.S. message (made public Jan. 16) asserted that resumption of the 10-nation Geneva conference "could not be productive" until diplomatic exchanges fixed the scope of the talks. The U.S. blamed the USSR for contributing to the Dec. 18, 1958 suspension of the attack conference by refusing to discuss technical requirements for the prevention of surprise attacks, "except within the context of political proposals . . . beyond the competence of the experts' conference."

(A full UN report on the Geneva conference on surprise attacks was made public Jan. 9 by Secy. Gen. Hammarskjöld.)

MIDDLE EAST

British-Egyptian Suez Pact. An accord settling British-Egyptian financial differences arising from Egypt's 1956 nationalization of the Suez Canal and the ensuing Anglo-French invasion of the Suez Canal Zone was concluded in Cairo Jan. 17 by British & Egyptian negotiators.

The agreement, reached in Cairo talks Jan. 12-16 between Sir Denis Rickett of the British Treasury and Trade & Economics Min. Abdel Moneim el-Kaissouni of the United Arab Republic, provided for (1) the release of approximately £74 million ($207.2 million) in blocked Egyptian sterling accounts in Britain; (2) Egyptian payment of £27.5 million ($68 million) for nationalized British property and the return to their owners of sequestered British holdings; (3) Egyptian payment of an unspecified portion of £20 million ($56 million) in claims by the Royal Dutch Shell Oil Co. for losses from sequestration & cancellation of leases.

The accord reportedly omitted settlement of conflicting war claims for Egyptian seizure of British military bases & war material in the Suez zone and damage inflicted on Egyptian canal installations by the British-French attack.

The Cairo agreement was reached after Pres. Eugene R. Black of the World Bank had won British & Egyptian approval Jan. 9 for a resumption of negotiations to end the Suez dispute. [See p. 2C3]

Italian-UAR Accord. Premier Amintore Fanfani of Italy ended a visit to the UAR & talks with Pres. Nasser Jan. 9 after reaching agreement on a wide range of economic matters. A joint communiqué issued Jan. 8 by Fanfani & UAR Foreign Min. Mahmoud Fawzi disclosed accords on (1) increased Italian imports of Egyptian cotton in exchange for Egyptian purchase of 130,000 tons of wheat, (2) free UAR entry & exit for Italian residents & their property up to a value of $20,000, (3) the return of Italian property sequestered by the UAR, and (4) increased Italian-UAR trade & technical cooperation.

Fanfani, who flew to Athens for talks on NATO cooperation with Greek Premier Constantine Karamanlis Jan. 9-10, returned to Rome Jan. 11 to face strong criticism of his apparent support for neutralism in talks with Nasser. [See p. 2D3; Vol. XVIII, 402C2]

UAR-Bonn Rift. Relations between West Germany & the United Arab Republic were strained Jan. 7 by the announcement that the UAR had agreed to establish consular relations with the East German Govt.

The consular pact, disclosed by East German Premier Otto Grotewohl at the end of a visit to Cairo & talks with Pres. Nasser Jan. 4-7, brought West German threats Jan. 9 of possible rupture of West German-UAR relations and delays in planned German participation in the Aswan High Dam project. West Germany disclosed Jan. 14 that Chancellor Adenauer had been assured by Nasser that the agreement, although permitting an East German trade mission to perform consular functions, would not establish formal consular ties or imply UAR recognition of the East German Govt. [See p. 2D3]

Grotewohl met with Premier Abdul Karim el-Kassem on a visit to Iraq Jan. 7-11 and with Prime Min. Nehru on a visit to India Jan. 12-16, but failed to win Indian or Iraqi pledges of recognition for East Germany.

Iraq Leftists Curbed. Premier Abdul Karim el-Kassem acted Jan. 14 to curb the activities of leftist paramilitary groups of the Iraq Students Union & People's Resistance Force. Both had been involved in recent clashes with Baath Party nationalists and supporters of Kassem's revolutionary regime.

Kassem ordered the students & militiamen to halt their interference with police authorities and to submit to control of the Iraqi Army & designated police officials. He warned that "vigilant Army & security forces will not permit any act harmful to the reputation & integrity of the republic." He asserted that his regime would "not hesitate to mete out the most severe punishment to anyone" daring to violate security orders.

Efforts to stop growing Communist infiltration of the Kassem regime* reportedly were led by a small group in the Iraqi Sovereignty Council & Kassem cabinet. Prominent among them, according to the Jan. 15 Christian Science Monitor, were Mohammed Mahdi Kubba, Khalid al Naqshabandi &, possibly, Pres. Mohammed Nadim al-Rubaiya of the Sovereignty Council and these cabinet members: Communications Min. Baba Ali, Social Affairs Min. Naguib Taleb, Health Min. Salih Mahmoud, Foreign Min. Abdel Jabar Jomard, Guidance Min. Sadik Shansal & State Min. Fuad al-Rikabi. [See p. 2E3; Vol. XVIII, 414E3, 406A1]

Hammarskjöld Report. Secy. Gen. Hammarskjöld told a news conference at UN Hq. in New York Jan. 16 that he had found "a will to peace" in Arab & Israeli leaders during his visit to the Middle East. Hammarskjöld confirmed reports that he had persuaded Pres. Nasser & Premier Ben-Gurion to agree to public marking of the Israeli-Syrian frontier to eliminate "confusion" responsible for "some of the incidents we have had." Hammarskjöld conceded, however, that Arab-Israeli "armistice agreement[s] & armistice machinery are just as much under a cloud as they have been in the past few years."

The Jordanian Govt. announced Jan. 19 that an agreement negotiated by Hammarskjöld in Cairo would permit resumption of Jordanian shipments to Mediterranean ports via the Syrian Region of the UAR. [See p. 2B3]

Arab-Israeli Incidents. Israeli Mystère & Egyptian MIG-17 jet fighters clashed Jan. 8 in the vicinity of the Sinai desert frontier between Israel & the UAR. Cairo dispatches claimed that the Israeli jets were intercepted over UAR territory & one had been shot down. Tel Aviv reports asserted that the UAR jets had been turned back after reaching within 20 mi. of Beersheba, in the northern Negev. [See Vol. XVIII, p. 414C3]

(The Israeli-Egyptian Mixed Armistice Comm., boycotted by Israel, held Israel responsible for the incident Jan. 13.)

2 Americans, Samuel Copald & Yoram Fisher, were arrested by Syrians & turned over to UN observers

* Sayed Nadim Rashid, described as a pro-Communist Iraqi nationalist, replaced anti-Communist Col. Taher Yahya Dec. 7, 1958 as director-general of Iraqi police. Other alleged pro-Communists recently given important posts included Farid Dhia, director-general of Army operations & intelligence and Dhia Sheik Ahmed, director-general of planning.

Jan. 13 after apparently crossing the Syrian border. A 3d American, Gary Schwartz, was arrested by Jordan Jan. 5 for illegally crossing the Jordan border from Israeli Jerusalem.

Arab Bank Formed. The Arab Financial Institution for Economic Development (Arab Development Bank) came into existence Jan. 12 when Libya accepted its charter and pledged a financial contribution raising capital subscriptions to more than 75% of the initial £20 million (Egyptian) ($57.4 million) required. Other charter members of the Bank (capital subscriptions in parentheses): UAR (50.29%), Saudi Arabia (14.57%), Lebanon (5.64%), Jordan (2.82%).

World Bank Pres. Black pledged Jan. 16 that his organization would give Arab Development Bank officials full cooperation to aid establishment of the new institution. [See Vol. XVIII, pp. 406D3, 257D2]

NATIONAL AFFAIRS

THE PRESIDENT

The Budget

'Modest Surplus.' Pres. Eisenhower submitted to Congress Jan. 19 a balanced budget in which he proposed cutting federal expenditures to $77.03 billion and estimated that revenues would increase to $77.1 billion in the fiscal year ending June 30, 1960. He said he expected "thus a very modest surplus" of about $70 million for fiscal 1960, "compared with a recession-induced deficit" of about $12.871 billion for fiscal 1959.

The President's estimate of fiscal 1959's deficit was based on revised data indicating that the government would spend $80.871 billion and receive only $68 billion in the 12 months ending June 30, 1959. In fiscal 1958, the government's actual expenditures totaled $71.936 billion, revenues $69.117 billion and deficit $2.891 billion.

Mr. Eisenhower's requests for new obligational authority* rose from $76.3 billion actually granted in fiscal 1958 to a revised total of $82.4 billion for fiscal 1959 but was scheduled to decline to $76.8 billion for fiscal 1960. Fiscal 1958 ended with $40.4 billion of unexpended appropriations to be carried forward to succeeding years. Carry-over appropriations were estimated at $40.4 billion for fiscal 1959 & at $41½ billion for fiscal 1960. [See p. 11B3; Vol. XVIII, 425D1, 11C2-13C1]

Details of the budget:

Cash Budget—According to budget statistics, federal payments to the public totaled $83.4 billion in fiscal 1958 and exceeded the $81.9 billion of receipts from the public by $1½ billion. Payments to the public were estimated at $94.9 billion for fiscal 1959 and were expected to exceed the anticipated $81.7 billion of receipts from the public by $13.248 billion. In fiscal 1960, however, the Administration expected receipts from the public to amount to $93.502 billion and to exceed the estimated $92.875 billion of payments to the public by $626 million.

Debt—The public debt stood at $276.343 billion at the end of fiscal 1958. It was expected to amount to about $285 billion at the close of both fiscal 1959 & fiscal 1960. Mr. Eisenhower said he would renew his request for a $285 billion permanent debt ceiling and would ask for "an increase in the temporary debt ceiling sufficient to cover heavy borrowing requirements during the first half of the fiscal year 1960, borrowings which would be repaid before June 30, 1960." He pointed out that the government's interest payments "represent more than 10% of budget expenditures." [See Vol. XVIII, p. 410D1]

Cuts & Increases—The 1960 budget anticipated $5½ billion in cuts in spending & $1.6 billion in increased expenditures, making the net decrease from the 1959 figure $3.9 billion.

At least 75% of the apparent cuts, however, were due to automatic reductions, including: (a) the expiration of such anti-recession programs as supplemented jobless benefits & some housing assistance, which were expected to cost about $1¼ billion in fiscal 1959 but nothing the next year; (b) a proposal to put the requested $1.375 billion increase in the U.S. subscription to the International Monetary Fund in the 1959 rather than the 1960 budget; (c) a $500 million net saving in soil bank expenditures resulting from the expiration of the $700 million-a-year acreage reserve & a simultaneous $200 million increase in the soil bank's conservation reserve; (d) a $250 million cut in farm price supports resulting from an anticipated reduction in crops; (e) a $525 million cut in the annual postal deficit due to $175 million in postal rate increases already enacted & $350 million in increases to be requested; (f) the fact that federal employees received $275 million in retroactive pay raises in fiscal 1959 but were to get none in fiscal 1960; (g) about $450 million saved in military foreign aid, principally because Congress already had cut appropriations for this purpose; (h) a $120 million reduction in veterans' benefits, largely because most Korean War veterans would have used up their educational benefits by fiscal 1960; (i) a $100 million cut in stockpile expenditures based on the assumption that adequate supplies of most strategic materials would have been bought by fiscal 1960.

Mr. Eisenhower said that "without one single new action . . . to authorize additional projects or programs, government outlays for some of our major activities are certain to keep on rising for several years after 1960 because of commitments made in the past. . . . Moreover, inescapable demands resulting from new technology & the growth of our nation and new requirements resulting from the changing nature of our society will generate federal expenditures in the future years."

Taxes—The budget recommended extension of the current 52% tax rate on corporation profits & of the current excise tax rates on autos, liquor & tobacco for another year beyond the scheduled June 30, 1959 expiration date. These extensions were expected to avert a $2 billion decrease in annual federal revenues.

The President proposed a 1½¢ increase in the 3¢-a-gallon excise tax on motor vehicle fuels. This would bring in an additional $723 million the first year and nearly $900 million in succeeding years, according to federal estimates. The money would go into the Highway Trust Fund "and preserve the pay-as-we-go principle, so that contributions from general tax funds to build federal-aid highways will not be necessary."

A similar increase in the tax on aviation gasoline & a new 4½¢ tax on jet fuels were recommended, the receipts to be retained in the general budget "to help defray the rising costs of operating the federal airways."

Mr. Eisenhower urged additional legislation to remove tax loopholes & hardships and "to reduce the tax

SUMMARY OF THE BUDGET

(Amounts in millions. Periods are fiscal years ending June 30, 1958, 1959 & 1960. Figures for 1959 & 1960 are estimates based on existing & proposed legislation.)

RECEIPTS—	1958	1959	1960
Indiv. income taxes	$34,724	$36,900	$40,700
Corp. income taxes	20,074	17,000	21,448
Excise taxes	8,612	8,467	8,945
Employment taxes	333	328	340
Estate & gift taxes	1,393	1,365	1,415
Customs	782	840	900
Miscellaneous	3,200	3,100	3,352
Total receipts	**$69,117**	**$68,000**	**$77,100**
EXPENDITURES—			
Major national security	$44,142	$46,120	$45,805
Intl. affairs & finance	2,234	3,708	2,129
Veterans	5,026	5,198	5,088
Labor & welfare	3,447	4,380	4,129
Agriculture & resources	4,389	6,775	5,996
Natural resources	1,543	1,708	1,710
Commerce & housing	2,109	3,509	2,243
General govt.	1,356	1,673	1,735
Interest	7,689	7,601	8,096
Allow. for contingencies	.....	200	100
Total expenditures	**$71,936**	**$80,871**	**$77,030**
Surplus	.....	.....	**$70**
Deficit	**$2,819**	**$12,871**	.....

BUDGET EXPENDITURES

(Amounts in millions. Periods are fiscal years. Figures for 1959 & 1960 are estimates.)

	1958	1959	1960
Legislative Branch	$99	$119	$152
Judiciary	44	49	51
President's Executive Office	75	70	75
Appropriations to President:			
Mutual Security	3,611	3,881	3,498
Other	470	311	247
Independent Offices:			
Atomic Energy Commission	2,268	2,630	2,745
Veterans Administration	5,098	5,286	5,168
Other	1,194	1,540	1,531
General Services Administration	425	428	411
Housing & Home Finance Agency	199	1,064	318
Agriculture Dept.	4,875	7,341	6,450
Commerce Dept.	327	418	476
Defense Dept.: Military	39,062	40,800	40,945
Civil functions	733	769	853
Health, Education & Welfare Dept.	2,645	3,051	3,140
Interior Dept.	666	809	757
Justice Dept.	229	252	259
Labor Dept.	567	1,007	562
Post Office Dept.	674	752	109
State Dept.	206	277	243
Treasury Dept.	8,446	9,778	8,900
District of Columbia	25	38	42

*Appropriations & other methods by which the government is authorized to spend money

restraints on incentives to work & invest." He called for passage of Administration proposals to tax the income of life insurance companies, to make it harder for cooperatives to avoid taxes and to prevent "an unintended extension of [mineral] percentage depletion allowances to the sales price of finished products."

The President based his estimates of 1959-60 revenues partly on the additional income he expected from the new or higher taxes he proposed for fiscal 1960 and largely on the presumption that "the resurgence of our economy" after the recession would continue strongly and would result in "increases in receipts under present tax rates & present tax sources."

Defense—Pres. Eisenhower recommended increasing military spending from an estimated $40.8 billion in fiscal 1959 to a new peacetime high of about $40.945 billion in fiscal 1960. He asked for $40.85 billion in new obligational authority for the military in fiscal 1960, compared with $41.138 billion scheduled for fiscal 1959. Mr. Eisenhower said, however, that the 1960 program would get about $700 million for the funds Congress had appropriated for 1959 over his objections.

Expenditures (in millions) & manpower budgeted for each service:

	Fiscal 1959	Fiscal 1960	Manpower
Army	$ 9,147	$ 9,246	879,000
Navy	11,472	11,596	630,000
Air Force	18,993	18,675	*846,607

* Down 5,000, partly due to increased dependence on missiles rather than on manned aircraft

The budget provided for continuing Army strength at 14 divisions and Navy operation of 864 ships, including 389 warships. Marine Corps strength was to continue at 3 divisions & 3 air wings. The Air Force was to be reduced from 105 wings to 102, including 43 Strategic Air Command wings & missiles.

The budget anticipated the procurement of 1,610 planes in fiscal 1960. The SAC was to get additional improved B-52 intercontinental jet bombers & KC-135 jet tankers and the first new supersonic B-58 medium jet bombers. Mr. Eisenhower said money was being provided to continue developing the B-70 high-altitude supersonic intercontinental bomber, a new high-speed interceptor & a nuclear power plant for military planes. He said there was "no practical military value" in trying to build an atomic plane until the power plant was successfully developed and the technical problems of safe operation solved.

The 1960 budget provided for an 8th Forrestal-class carrier which, "in line with the Navy's recommendation," would have a conventional rather than a nuclear power plant because "it is only good sense to wait until we have more experience with the construction of the first nuclear-powered carrier authorized in the 1958 program before we start . . . another." The 1960 program also called for 6 new missile destroyers & frigates and 3 new atomic submarines and for "the advance procurement of long lead time components" for 3 Polaris submarines in addition to the 9 previously authorized.

Mr. Eisenhower asked Congress to extend the draft beyond June 30, 1959, to repeal the mandatory minimum strength limits for Army reserves, to authorize the sale of government-owned communications facilities in Alaska to private interests, to refrain from reenacting riders to appropriations bills that limit bidding by foreign firms for the sale of military supplies to the U.S. and to extend the Renegotiation Act beyond June 30 1959.

Missiles — The budget message stressed the increasing reliance on missiles for free-world defense. It said "missile systems in 1960 will take a larger share [$3.922 billion] of total procurement expenditures, and aircraft will take less [$6.589 billion]."

Mr. Eisenhower predicted that "the first operational Atlas [intercontinental ballistic] missiles will be at launching sites" in the U.S. by June 30, 1959 and that additional Atlases "will be put in place in 1960."

The first Thor intermediate-range ballistic missile units "have already been deployed to the United Kingdom, and additional units of both Thor & Jupiter [the Army's IRBM] will be deployed during the next 18 months," the President said. But he announced that no more Thor or Jupiter appropriations were planned after 1960 unless the U.S. & its allies reached new agreements on additional overseas units. This disclosure was interpreted as an indication that the U.S. was basing its strategy less on IRBMs in allied countries & more on ICBMs in the U.S. backed up by submarine-launched Polaris IRBMs. [See Vol. XVIII, p. 382B1]

Mr. Eisenhower also reported that: construction was "well along" on the first 5 Polaris submarines, the first being scheduled to start operation in 1960; "construction of the 6th Polaris submarine has begun, and 3 more . . . will be started in fiscal 1960"; the Titan, an advanced liquid-fuel ICBM, was "coming along at a rapid rate"; development was "progressing rapidly" on the Minuteman, a "2d-generation" solid-fuel ICBM; the Nike-Hercules was replacing the Nike-Ajax for air defense, and the Bomarc "will, when operational, augment manned interceptor planes"; the anti-missile Nike-Zeus "is being developed at an accelerated pace, and construction is under way on a new ballistic missile early warning system"; "the solid-fuel Pershing & Sergeant missiles will replace the liquid-fuel Redstone & Corporal." [See Vol. XVIII, p. 427B1]

Atomic Energy—A record $2.745 billion was budgeted for atomic energy in fiscal 1960. No budgetary provision was made for A-weapons tests in fiscal 1960 because of the U.S. offer to suspend tests for one year starting Oct. 1, 1958 and "in view of the negotiations for further suspension." Pending the conclusion of an "acceptable agreement," however, the Administration requested "financial authorizations . . . to continue development & production of nuclear weapons at current high levels."

PER CAPITA. Expenditures proposed in the budget were to drop from $460 for every person in the U.S. in fiscal 1959 to $431 in fiscal 1960. The per capita national debt at the end of fiscal 1960 was expected to be $1,594.

The budget provided for continued work on nuclear propulsion & power. In the power field, it emphasized "efforts to reduce the cost of the reactor fuel cycle." Plans were included to expand the exchange of technical information with foreign countries through "international undertakings, especially the European Atomic Energy Community (Euratom) & the International Atomic Energy Agency." The budget also provided for more research on using "nuclear explosions for such peaceful purposes as mining & earth moving [Project Plowshare]" and for "a higher level of research in the physical & life sciences."

Research—Pres. Eisenhower recommended that expenditures for research & scientific development be increased from the record $4.841 billion budgeted for fiscal 1959 to a new high of $5.484 billion in fiscal 1960. More than 80% was for defense.

The budget said the Administration was "inaugurating an extensive program of scientific investigations in space" during 1959 and planned to use "satellites, lunar probes & deep space probes." It was developing "high-energy-fuel rockets, a million-lb. thrust engine & a nuclear rocket engine." The space budget for fiscal 1960 was to come from $415 million earmarked for the Defense Department's Advanced Research Projects Agency & $280 million for the National Aeronautics & Space Administration.

Recommended research & development expenditures (in millions):

	Fiscal 1958	Fiscal 1959	Fiscal 1960
Defense Dept.*	$2,314	$3,282	$3,692
Atomic Energy Comm.	637	790	846
NASA	89	153	280
Health-Education-Welfare Dept.	179	236	250
Agriculture Dept.	111	128	127
Natl. Science Foundation	35	60	80
Other agencies	133	192	208
Total	$3,498	$4,841	$5,484

* Figures for each year not fully comparable because of changes in appropriations structure; they also exclude about $2 billion of procurement funds annually to support research & development

Mutual Security—Pres. Eisenhower pointed out that the U.S. tried to solve its "primary concern"—"to insure the free world's ability to deter war & to retaliate against attack if deterrence fails"—by relying on its "own military capability and by providing intermediate & short-range missiles & other weapons" to allies.

He said "the Communist threat of local aggression & military subversion" was "best met by conventional forces of the threatened countries"—aided, "if necessary," by reinforcements sent by the U.S. & other free-

world nations under regional or bilateral agreements. "Our allies," he said, "through their own efforts," cover "the bulk of the costs of operating & maintaining their forces" while the U.S. supplies "critical military equipment" they "cannot supply themselves" and helps train their officers & men.

Mr. Eisenhower proposed that $3.93 billion in new obligational authority be made available for total mutual security in fiscal 1960. This compared with $2.764 billion in fiscal 1958 and $3.516 billion (including $225 million of anticipated supplemental appropriations for the Development Loan Fund) estimated for fiscal 1959. Mutual security expenditures & new obligational authority (NOA) enacted for fiscal 1958 and requested for fiscal 1959 & 1960 (in millions):

	1958 Expend.	1959 Expend.	1960 Expend.	1960 NOA
Military aid	$2,187	$2,312	$1,850	$1,600
Economic & technical aid:				
Development Loan Fund	2	125	200	700
Defense support	874	815	780	835
Technical cooperation	140	159	170	211
Contingencies & other aid	408	470	498	584

Other expenditure & NOA requests for U.S. international affairs & finance:

Intl. Monetary Fund	.....	$1,375	.....	.....
Export-Import Bank	$340	243	—$6	.....
Other economic aid (primarily Agriculture Dept. emergency famine relief)	146	135	126	$115
Information Agency	109	107	114	127
Exchange of persons	24	25	24	24
President's special international program	16	9	7	7

Pres. Eisenhower proposed that an anticipated $3.175 billion increase in U.S. subscriptions to the International Bank for Reconstruction & Development be included in the fiscal 1959 budget as supplemental NOA but not as an expenditure since it was to be in the nature of a guaranty fund.

Aviation—"Legislation for federal grants to aid local airport construction expires" June 30, 1959, and the federal government should "begin an orderly withdrawal" from the program, Mr. Eisenhower said. He promised to submit legislation for "a transitional program of federal grants to share the costs of basic facilities, such as runways & control towers." He said "revenue-producing facilities, such as terminals & hangars, should be financed locally." He recommended $602 million in new obligational authority for the Federal Aviation Agency in fiscal 1960 and estimated that its expenditures would rise from $277 million in fiscal 1958 to $466 million in fiscal 1959 & $560 million in fiscal 1960. He estimated that CAB subsidy payments would rise from $38 million in fiscal 1958 to $58 million the following year & $63 million in fiscal 1960.

Shipping—Mr. Eisenhower recommended $129 million of new obligational authority for ship construction subsidies (to replace 14 cargo & passenger-cargo ships) & related programs in fiscal 1960. He planned to use none of these subsidies for passenger superliners and asked Congress to "reconsider its action requiring that these superliners be built under direct federal loans, which under present law would be made at an interest rate below that paid by the government itself for comparable borrowed money." The President estimated that $130 million in operating subsidies would be paid each year in fiscal 1959 & 1960 for a maximum of 330 eligible ships.

Urban Renewal—The President reported that about 650 urban renewal projects "are now under way or completed in more than 380 cities." They cost about $2 billion, for which more than $1.3 billion was financed by federal capital grants. Mr. Eisenhower said the federal government had "outstanding loans & loan guaranty commitments totaling about $700 million for temporary financing of these projects." He said that since Congress had failed to pass urban renewal legislation in 1958, he had used "authority subject to the President's discretion . . . to make available $100 million for capital grants." He said "emergency legislation already proposed contains an additional $100 million for 1959 and also $100 million to restore the discretionary authority."

Mr. Eisenhower asked Congress to: (a) authorize urban renewal capital grants of $1.35 billion at the rate of $250 million a year for 1960-62 and at the rate of $200 million annually for 1963-65; (b) "require states & cities to assume a gradually increasing share of the expense of buying & improving the land & of other net project costs," the state-local share to be ⅓ for fiscal 1960-initiated projects, to rise annually thereafter to 40% & 45% and to end at 50% in 1963-65; (c) require states or communities "to assume their share of the cost of planning from the start" instead of paying their share only if the project actually gets started; (d) "aid non-residential urban renewal projects by authorizing $150 million in loan commitments" to help local agencies get private financing.

Housing—The President made no request for additional public housing units because, he said, the 585,000 units authorized (475,000 to be built & occupied by about 2 million people by the end of fiscal 1960 and 110,000 to be under contract for federal contributions but not built) "should meet most of the demand . . . by low-income families displaced by highway construction, urban renewal or similar government action in the next few years."

Agriculture—Mr. Eisenhower promised to submit legislation "to make badly needed changes in the price support system" and prevent the "continuation of huge federal outlays." Expenditures for farm price & income stabilization in fiscal 1960 were budgeted at $4.49 billion, "about 75% of total expenditures for agriculture & agricultural resources in 1960." The President said CCC loans & commodity inventories totaled $7.1 billion June 30, 1958 and were expected to rise to $9.1 billion by June 30, 1959 & to nearly $10½ billion by June 30, 1960.

Farm expenditures authorized in fiscal 1958 and requested for fiscal 1959 & 1960 (in millions):

Price & income stabilization:	1958	1959	1960
CCC price support, supply & purchase programs	$987	$3,118	$2,880
CCC—Public Law 480	1,073	1,049	1,033
CCC—Natl. Wool Act	57	21	81
Other CCC	177	233	224
Soil bank—acreage reserve	620	713	1
Surplus removal	125	150	150
Sugar Act	70	68	75
Other	42	35	46
Rural electrification & phones	297	325	335
Farm Credit Admin.	—3	4	2
Farmers Home Admin.	242	247	194
Agricultural conservation program	233	240	197
Soil bank—conservation reserve	113	141	343
Soil Conservation Service, watershed protection, Great Plains program & other conservation	102	133	135
Research & other farm services	255	299	301
Total	$4,389	$6,774	$5,996

Mr. Eisenhower asked Congress to extend for one year beyond Dec. 31, 1959 Titles I & II of the Agricultural Trade Development & Assistance Act of 1954, under which farm surpluses were sold for foreign currencies (Title I) and donated for relief (Title II). He proposed that CCC authority to incur costs & losses under Title I be increased from $6¼ billion to $7¾ billion. He also recommended extension of the Sugar Act.

Other Legislation—Pres. Eisenhower also asked Congress to: (a) authorize the President to veto individual items in appropriations & authorization bills; (b) admit Hawaii to statehood; (c) give the District of Columbia home rule; (d) provide loans & grants to aid areas of chronic unemployment; (e) authorize revenue bond financing for TVA generating facilities; (f) widen coverage of unemployment benefits, extend their duration and increase benefit amounts; (g) extend Fair Labor Standards Act coverage: (h) require "equal pay for equal work" without discrimination based on sex; (i) enact "effective statutory protection . . . from the racketeering, corruption & abuse of democratic processes" in labor unions; (j) enact the rest of the President's immigration proposals and extend authority to admit orphans & aliens with tuberculosis; (k) extend the Reorganization Act of 1949, as amended, beyond June 1; (l) extend beyond June 30 the programs for training professional nurses & for graduate training of public health personnel; (m) end federal grants for vocational training & for waste treatment works construction "and adjust federal revenue laws as recommended by the Joint Federal-State Action Committee so the states can assume full responsibility" starting in fiscal 1961; (n) increase state & local participation in public assistance financing.

Economic Report

Warning Vs. Inflation. Pres. Eisenhower called in labor leaders, businessmen & consumers Jan. 20 to help in averting inflation. He asserted in his annual Economic Report to Congress that "an indispensable condition

for achieving vigorous & continuing growth is firm confidence that the value of the dollar will be reasonably stable." [See Vol. XVIII, p. 18B2]

Labor leaders, he said, "have a particularly critical role to play in view of the great power lodged in their hands." He warned that raises not justified by productivity "are inevitably inflationary" and "self-defeating." Such raises, he said, "impose severe hardships on those whose incomes are not enlarged," "jeopardize the capacity of the economy to create jobs for the expanding labor force" and "endanger present jobs by limiting markets at home and impairing our capacity to compete in markets abroad."

Other features of the report:

Legislation—The Economic Report repeated many legislative requests made in the State-of-the-Union & budget message and also asked Congress to: (a) "Amend the Employment Act of 1946 to make reasonable price stability an explicit goal of federal economic policy"; (b) provide for federal regulation of bank mergers resulting from the acquisition of assets; (c) require big businesses in interstate commerce to give advance notice of proposed mergers; (d) allow the FTC to issue anti-trust cease-&-desist orders that would be final unless appealed to the courts; (e) authorize the FTC to seek preliminary injunctions against mergers likely to violate the law.

Recession—Mr. Eisenhower said recovery from the 1957-58 recession had begun in May 1958 and that "most of the ground lost had been regained" by the end of the year. Although 5 million persons were unemployed in Dec. 1958, this figure was 1,000,000 below the recession peak. The President said government action had "played an important role in moderating the recession and helping to bring about a prompt & sound recovery." He said the 1957-58 experience "emphasizes the importance, in a situation in which powerful corrective forces are at work, of avoiding hasty & disproportionate actions, such as tax reductions that needlessly endanger the prospects of future fiscal balance." [See p. 11G2]

FOREIGN

France & Algeria

Peace Talks Offered. Pres. de Gaulle, in messages to the opening sessions of the French National Assembly & Senate, offered Jan. 15 to assure Algerian rebel leaders safe conduct to Paris for negotiation of a cease fire in the Algerian rebellion.

De Gaulle's first message to the new French Parliament, read in the Assembly by Speaker Jacques Chaban-Delmas, declared that "the pacification & transformation of Algeria" were "indispensable conditions" for an "[Algerian] political solution, which can only proceed from universal suffrage." It made clear that France would not negotiate a political settlement for Algeria with the rebel Algerian Provisional Govt. in Cairo. It was regarded as an answer to rebel statements Jan. 14 that amnesty measures for Algerian prisoners "could be positive" only if followed by direct French-rebel political negotiations. [See p. 13C2; Vol. XVIII, 358C2, 350E1]

598 Algerian rebels were killed or captured in French-rebel fighting Jan. 12-18, French Army Hq. in Algiers reported Jan. 19. [See p. 13F2]

A rebel commander's condolence message to the son of a rebel victim, made public by French authorities Jan. 19, asserted that the rebels would "end . . . our struggle if the French Govt. shows political realism by recognizing the legitimate aspirations of our people."

Parliament Opens. The National Assembly & Senate of the 5th Republic convened for the first time Jan. 15 for Premier Debré's presentation of his cabinet & policies. Deputies, summoned to confer informal investiture on the Debré cabinet, voted Jan. 16 by 453-56 (Socialists & Communists opposed, 29 rightists abstaining) to approve the cabinet & its policies.

Premier Debré, who denied what he called "false rumors" of French-rebel negotiations toward an Algerian settlement, declared that France's "uncontested authority & uncontrovertible presence" in Algeria would guarantee the security of the western Mediterranean. Debré said France accepted the European economic & nuclear communities but would not agree to further integration. He reiterated Pres. de Gaulle's demand for a greater French voice in NATO and pledged continued efforts to develop French nuclear weapons. [See p. 13E1; Vol. XVIII, 415F1]

•

Belgian Congo. Leaders of the Congolese Nationalist Movement announced Jan. 19 that they had agreed in principle to cooperate with Belgian plans for the preparation of Congo independence. The accord resulted from talks with visiting Congo Min. van Hemelrijck. [See pp. 13G2, 4G2]

Official casualty tolls for the Jan. 4-6 Congo riots were raised Jan. 14 to 71 Africans killed & more than 250 injured.

Britain. Cmndr. Allan H. P. Noble, 55, chief British UN Assembly delegate, resigned Jan. 16 as foreign affairs state minister in the Macmillan cabinet. Noble, who said he would not defend his House of Commons seat in the next election, was replaced by John Dennis Profumo, 43, foreign affairs parliamentary undersecretary. Profumo's post was filled by Robert A. Allan, 44, an Admiralty aide.

Other appointments announced by the Macmillian cabinet Jan. 16: Charles Ian Orr-Ewing, 46, to succeed Allan as Admiralty parliamentary & financial secretary; Airey Middleton Sheffield Neave, 42, to replace Orr-Ewing as Air Ministry parliamentary state undersecretary; John Albert Hay, 39, to succeed Neave as Transport Ministry joint parliamentary secretary; Graeme Bell Finlay, 41, to replace H. Dudley Oakshot as royal household treasurer. [See Vol. XVIII, p. 401C3, 5E1]

High Court Justice Sir Cecil Havers issued an injunction Jan. 15 to prevent the (London) Sunday Pictorial from continuing to publish personal reminiscences about Queen Elizabeth & Prince Philip written by William Ellis, ex-Windsor Castle superintendent.

Lord Altrincham, National & English Review editor, who criticized Queen Elizabeth in 1957, suggested Jan. 14 that the queen reside in other Commonwealth countries and encourage her children to "make marriages which would enable them to live . . . as true apostles of the Commonwealth idea." [See Vol. XVII, p. 253F3]

Indo-China. The Laotian National Assembly voted Jan. 14 by 28-16 to grant Premier Phoui Sananikone special powers to reorganize the Laotian Govt. and to govern by decree for one year. The special powers, opposed only by the Communist-front Neo Lao Hak Xat party formed by Pathet Lao rebels & the allied Santiphap (Neutrality) party, would permit Phoui to revise his cabinet, change the Laotian constitution and carry out economic & social reforms designed to develop rural areas and break Communist influence in Laos. Prince Souphanouvong, Neo Lao Hak Xat leader, charged Jan. 14 that the Assembly action was illegal and could lead to dictatorship, but he said the Neo Lao Hak Xat would not resort to armed rebellion. [See Vol. XVIII, p. 269G3]

Laos formally protested to UN Secy. Gen. Hammarskjöld Jan. 17 that troops of Communist North Viet Nam had entered & occupied Laotian territory. [See p. 14B2]

Pres. Ho Chi Minh of North Viet Nam told UPI Jan. 19 that his Govt. planned to establish farm cooperatives to improve "the people's living standards" but that North Viet Nam would not establish rural communes on the Red Chinese pattern. [See p. 9G2]

Ireland. Premier de Valera formally was named Jan. 19 as Fianna Fáil candidate for President. [See p. 14C2]

Italy The annual congress of the leftwing Italian Socialist Party (PSI) voted Jan. 18 to adopt Secy. Pietro Nenni's demands for party "autonomy" & a formal end to the post-World War II unity-of-action pact with the Communist Party. 530 Socialist delegates, meeting Jan. 15-18 in Naples, rejected a motion by extreme leftist Tullio Vecchietti calling for renewal of the Socialist-Communist alliance, and a compromise motion presented by Lelio Basso. Nenni, who won 47 seats on the party's central committee to Vecchietti's 27 & Basso's 7, made clear that the party would continue to oppose Italy's Christian Democratic regime.

Nenni was reelected Jan. 19 as PSI secretary at the head of a 14-member executive pledged to carry out an "independent line." [See Vol. XVIII, p. 359E1; XVII, 427B2, 31C1; XVI, 205G3, 185F3]

Korea. U.S. Amb.-to-South Korea Walter C. Dowling was summoned to Washington Jan. 14 for talks on reports of growing South Korean unrest

caused by national security & local autonomy laws forced through Parliament Dec. 24, 1958, by Pres. Syngman Rhee's Liberal Party & put into effect Jan. 5. The opposition Democratic Party, led by Chough Pyong Ok, announced Jan. 18 that it would file suit to prevent Rhee from appointing all municipal & village officials under the autonomy law. Rhee had been accused of an intent to use the security law to suppress Democratic newspapers & keep the Liberals in power. [See Vol. XVIII, p. 431C2]

Malta. Ex-Prime Min. Mintoff called Jan. 18 for a general strike & "national day of mourning" to protest the establishment of "British dictatorship" on Malta. [See p. 14A3]

Poland. Rev. Marian Pirozynski, a prominent Roman Catholic priest & editor of the church magazine Homus Dei, was arrested with 16 other persons Jan. 16 on charges of black marketeering to obtain paper for the magazine. Pirozynski pleaded guilty to censorship violations Jan. 20 on grounds that it was his "duty to spread the word of God." [See Vol. XVIII, pp. 280C2, 261B2]

Portugal. Henrique Galvao, 63, paralytic playwright imprisoned since 1953 on charges of treason against the Salazar regime, escaped Jan. 16 from the Santa Maria Hospital in Lisbon. [See p. 14E3; Vol. XIII, 138F]

Soviet Union. The annual report on the Soviet economy, issued Jan. 15 by the USSR's Central Statistical Admin., claimed that Soviet industry & agriculture had achieved 1958 production goals and had outstripped the U.S. in the output of milk (USSR, 57,800,000 metric tons; U.S. estimates, less than 1957's 57,300,000 tons).

The report listed these Soviet production & economic achievements in 1958: *steel—54,900,000 metric tons, 7% above 1957; rolled steel—42,900,000 tons, up 7%; pig iron—39,600,000 tons, up 7%; coke—50,900,000 tons, up 5%; iron ore—88,800,000 tons, up 5%; coal—496 million tons, up 7%; oil—113 million tons, up 15%; electricity—233 billion kwh., up 11%; capital investment—235 billion rubles ($58.75 billion at official rates); retail trade—667 billion rubles, up 6%; automobiles—122,000; trucks & buses—389,000.

The only failures disclosed by the report were in capital investments (3% below 1958 plans) and in agricultural machinery, said to be undergoing design changes. [See Vol. XVIII, pp. 378E1, 131C3, 30F2, 15A2]

Ed. V. N. Sukachev of the Soviet Academy of Sciences' Botanical Journal was replaced Jan. 20 by Pres. V. F. Kuprevich of the Byelorussian Academy of Sciences, presumably for his recent criticism of biologist Trofim L. Lysenko's theories on hereditary transmission of acquired characteristics in plants & animals. [See Vol. XVIII, p. 341B3]

The U.S. State Dept's East -West Contacts Office reported Jan. 17 that 38 U.S. delegations & 33 Soviet groups had made reciprocal visits to the U.S. & USSR during 1958 under exchange accords. 5,000 U.S. tourists were said to have visited the USSR & 4 groups of 20 Soviet tourists were said to have completed U.S. visits. [See Vol. XVIII, pp. 378D2, 370G2; XVII, 267D1]

The Soviet Culture Ministry announced Jan. 17 that state subsidies were to be withdrawn from a number of theaters in Moscow, Leningrad & other cities at the theaters' own request.

600,000 enumerators began work Jan. 15 on the first Soviet census to be taken since 1939.

West Germany. A $1,404,200,000 West German trade surplus was reported for 1958 in Federal Statistics Office figures issued Jan. 19. West German exports were listed as $8.806 billion in 1958, $238 million more than in 1957. Imports dropped from $7,544,600,000 in 1957 to $7,401,800,000 in 1958. [See Vol. XVIII, p. 422B3]

Alfried Krupp & Mng. Dir. Berthold Beitz of the Krupp industrial empire said in a N.Y. Times interview published Jan. 17 that the acquisition of the Bochumer Verein steel company was the final purchase planned for reconstruction of the pre-war Krupp holdings. [See pp. 15G1, 6E1]

The Conference on Jewish Material Claims Against Germany met in New York Jan. 17-18 and approved 1958 allocations of $10,100,785 for rehabilitation & resettlement of Jewish victims of Nazism in 30 countries. Conf. Pres. Nahum Goldmann appealed to Chancellor Adenauer Jan. 18 to speed the settlement of an estimated 2 million in Jewish claims outstanding against Germany.* [See Vol. XVIII, p. 42C1]

OBITUARIES

Edward J. Baker, 90, philanthropist, owner of trotter Greyhound (which set 17 intl. harness racing records and won 1936 Hambletonian), brother of John W. (Bet-a-Million) Gates; Jan. 17 in St. Charles, Ill.

Bishop Elvind Berggrav, 74, ex-primate of Norway's Lutheran Church who resigned together with 6 other bishops and many pastors in protest against Nazi edicts during World War II occupation; Jan. 14 in Oslo. [See Vol. X, p. 351P]

George Douglas Howard Cole, 69, British social economist, philosopher of Socialist movement, ex-prof. of social & political theory at Oxford U. 1944-57, Fabian Society president (since 1952), mystery story writer; Jan. 14 in London.

Sir Claude Dixon Gibb, 60, British physicist, chrmn. British Nuclear Power Plant Co.; Jan. 15 in Newark, N.J. of heart attack.

Dr. James F. Hosic, 88, education prof. at Columbia U.'s Teachers College 1925-36, founder Natl. Council of Teachers of English 1910, educational textbook author; Jan. 13 in Royal Oak, Mich.

Don Hurd, 60, secy.-treas. Intl. Typographical Union since 1946; Jan. 15 in Colorado Springs, Colo.

Dr. Ernest E. Irons, 81, pres. Amer. Medical Assn. 1949-50, dean Rush Medical College 1923-36, bd. pres. Chicago TB Sanitarium since 1948; Jan. 18 in Chicago. [See Vol. IX, p. 191M]

Lydia Kyasht, 73, Russian-born ex-ballerina; Jan. 12 in London.

Mrs. Ignatz (Regina) Margareten, 96, treas. & dir. since 1923 of Horowitz Bros. & Margareten (mfrs. of kosher food products); Jan. 14 in N.Y.

Robert McElroy, 86, chrmn. Princeton U.'s History & Politics Dept. 1912-16, Oxford U. prof. of Amer. History 1925-39; Jan. 15 in Hawaii.

Alexander Smith, 86, Scottish-born ex-pres. Abitibi Power & Paper Co. of Toronto; Jan. 14 in Hyannis, Mass.

Hulbert Taft, 81, ed. and pblshr. of Cincinnati Times-Star 1930-54; Jan. 19 in Indian Hill, O.

J. Ernest Wilkins, 54, U.S. Asst. Labor Secy. 1954-58 (first Negro to hold such a post), member Civil Rights Comm.; Jan. 19 in Wash. of heart attack. [See Vol. XVIIII, p. 364F1]

MISCELLANEOUS

Crash of a 2-engine Austral Airlines (Argentine) Curtis Commando Jan. 16 just before landing in a storm at the coastal resort of Mar del Plata, Argentina killed 51 passengers & crewmen. There was one survivor. [See Vol. XVIII, p. 420E1]

Fire losses in the U.S. in 1958 reached a record $1,056,266,000, 3.2% more than in 1957, the Natl. Bd. of Fire Underwriters estimated Jan. 19. [See Vol. XVIII, p. 8A3]

NEW YORK THEATER

Opened

Ages of Man. Sir John Gielgud in solo Shakespearean readings. Presented by Jerry Leider with Tennent Productions Ltd. Dec. 28, 1958 at 46th St. Theater. (7-0-0)§

Third Best Sport. Eleanor & Leo Bayer's comedy about business conventions & corporation wives. Staged by Michael Howard. Presented by Theatre Guild & Henry T. Weinstein. With Celeste Holm, William Prince, Judson Laire, Andrew Duggan, Joseph Boland. Dec. 30, 1958 at Ambassador. (1-0-6)§

Closed

The Dark at the Top of the Stairs Jan. 17 (516 performances)

Say Darling Jan. 17 (332 performances)

Shadow of a Gunman Jan. 2 (52 performances)

§First figure—favorable reviews in major NYC dailies; 2d figure—mixed reviews; 3d figure—unfavorable reviews

*Soviet steel mills were believed to have operated at full capacity throughout 1958. U.S. mills, working at 60% of capacity, produced 77,279,627, metric tons in 1958, the American-Iron & Steel Inst. reported Jan. 21. Expansion of U.S. mills during 1958 was believed to have added 6 million tons of annual capacity to the 113.5 million ton capacity credited to U.S. steel firms in 1957.

*The Material Claims Conference estimated that West Germany had paid a total of $1.242 billion in personal indemnification payments averaging $4,000 to 300,000 individual Nazi victims, most of them Jews, since 1950. The 2 million claims pending were expected to be granted smaller settlements. Other West German payments for Nazi damage & atrocities: (a) $822 million in restitution payments to the Israeli Govt., $107 million of the total to be paid to the Material Claims Conf.; (b) restitution payments for loss of goods, property & stock, to be limited to $357 million; (c) a $7,142,000 fund established by I.G. Farben Co. successors to compensate slave laborers used in a Farben plant near Auschwitz; (d) $173 million in indemnity payments made by individual West German states before the Bonn Govt. assumed indemnity obligations in 1953. [See p. 6F1; Vol. XVIII, 370F3, 21G2]